

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE

PASADENA SELF-STORAGE, LTD.
Debtor

§
§
§
§

CASE NO. 10-33790
(Chapter 11)

**OBJECTION TO DEBTOR'S EMERGENCY
MOTION FOR AUTHORITY TO USE CASH COLLATERAL**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

COMES NOW, City National Bank, successor to Imperial Capital Bank, and files this it's Objection to Debtor's Emergency Motion for Authority to Use Cash Collateral ("Emergency Motion") and would show as follows:

1. The Debtor has not filed Schedules, Statement of Financial Affairs, nor attached a budget to the Emergency Motion. There is no indication what the monthly rental income is of the Debtor, nor of what the monthly expenditures are for the Debtor. It is not known whether the facility is insured and if so, in what amounts. It is not known how many employees the Debtor has. It is not known what suppliers and venders the Debtor may need to pay in the near term. In short, the Debtor's Emergency Motion is totally devoid of any information to enable anybody to make a decision regarding the Debtor's request. Until the Debtor has provided the information to allow for the decision to be made, City National Bank is not in a position to consent to the use of cash collateral, and does hereby object to the Debtor's use of cash collateral due to the total lack of information.

2. Furthermore, it would appear that this case is a single asset real estate case that was filed for the sole purpose of preventing a non judicial foreclosure sale from occurring on May 4, 2010. *See*, ¶7 of the Emergency Motion.

3. City National Bank admits the allegations of paragraphs 1-6 of the Emergency Motion.

4. City National Bank lacks sufficient knowledge to enable it to admit or deny whether the Debtor was able to maintain payments on the Promissory Note, but would admit that the Note is in default and that the property was posted for foreclosure. Except as admitted the remaining allegations of paragraph 7 of the Emergency Motion are denied.

5. City National Bank would admit that Imperial Capital Bank was the Debtor's principal pre-petition lender and that City National Bank holds a valid recorded Deed of Trust on the Property and security interest in the rents. The remaining allegations of paragraph 8 of the Emergency Motion are denied.

6. City National Bank is unable to admit or deny the allegations of paragraph 9 of the Emergency Motion because there is no information attached to the Emergency Motion to indicate that there are any day to day business operation expenditures necessary.

7. City National Bank admits that the Debtor has requested that City National Bank consent to the use of cash collateral, except as specifically admitted, the remaining allegations of paragraph 10 are denied.

8. City National Bank admits the first, but denies the second sentence of paragraph 11 of the Emergency Motion.

9. City National Bank lacks sufficient knowledge to enable it to admit or deny the allegations of paragraph 12 and 13 of the Emergency Motion and for pleading purposes the allegations of those paragraphs are denied.

10. Paragraphs 14-17 of the Emergency Motion are requests for relief which do not require a response; however, for pleading purposes the allegations of paragraph 14-17 are denied.

11. Until the Court and City National Bank are provided with the Schedules, Statement of Financial Affairs, proof of insurance and a budget, City National Bank would request that the Court deny the Debtor the use of cash collateral.

12. Based on review of the Emergency Motion, it would appear that the Emergency Motion has not been served on any creditor or party in interest as the certificate of service indicates it was served on parties on the attached service list; however, there is no service list attached and therefore it is unknown if the Debtor's Emergency Motion was served on any party at all.

WHEREFORE, PREMISES CONSIDERED, City National Bank, successor to Imperial Capital Bank prays that this Court enter an order denying the Debtor the use of cash collateral and to grant City National Bank such other and further relief at law or in equity to which it may be entitled.

Respectfully submitted,

OF COUNSEL:

HIRSCH & WESTHEIMER, P.C.

By: /s/ Michael J. Durrschmidt

Michael J. Durrschmidt
Admissions I.D. No. 4720
State Bar No. 06287650
25th Floor, Bank of America Center
700 Louisiana
Houston, Texas 77002-2728
TEL: (713) 220-9165
FAX: (713) 223-9319

ATTORNEYS FOR CITY NATIONAL BANK

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Objection to Debtor's Emergency Motion for Authority to Use Cash Collateral was served by first class mail, postage prepaid, facsimile and/or electronic mail by the Clerk of the Court via the ECM/ECF system, as listed below on May 19, 2010.

Pasadena Self-Storage, Ltd.
3030 Old Ranch Parkway, Suite 190
Seal Beach, CA 90740

Patrick D Devine
5120 Woodway Dr., Suite 8002
Houston, Texas 77056

Christine A March
Office of the United States Trustee
515 Rusk St., Suite 3516
Houston, Texas 77002

Jason Starks
Assistant Attorney General
c/o Sherri K. Simpson
PO Box 12548
Austin, Texas 78711

Tara Grundemeier
Lienbarger Goggan Blair &
Sampson LLP
PO Box 3064
Houston, Texas 77253

Imperial Capital Bank
500 N Brand Blvd., Suite 1500
Glendale, CA 91203

Leo Vasquez
Harris Co. Tax Assessor
PO Box 4622
Houston, Texas 77210

East Bay Construction
2124 Main Street, Suite 145
Huntington Beach, CA 92648

Texas State Comptroller
PO Box 149348
Austin, Texas 78714

Goodrich Goodyear & Hinds
6700 E Pacific Coast Hwy, Suite
255
Long Beach, CA 90803

AFS/EBEX Financial Services
PO Box 10045
Pasadena, CA 91189

Best Publications
100 Perkins Street, Suite C
League City, TX 77573

W.B. Lockhart & Co
PO Box 35375
Houston, Texas 77235

Yellow Book USA – West
PO Box 660052
Dallas, Texas 75266

EMR Services
2931 Thorne Creek
Houston, Texas 77073

Reliant Energy
PO Box 650475
Dallas, Texas 75265

AT&T
PO Box 5001
Carol Stream, IL 60197

Golf Carts of Houston Mgmt
d/b/a South Houston Golf Carts
3123 Westside Drive
Pasadena, TX 77504

AT&T Advertising Solutions
PO Box 5010
Carol Stream, IL 60197

C&C Contractors
5128 Eula Avenue
Pasadena, Texas 77505

G5 Search Marketing, Inc.
550 NW Franklin Avenue, Suite 200
Bend, OR 97701

Phonesmart
Box U
Columbia, MO 65205

On the Move, Inc.
PO Box 1137
Boerne, Texas 78006

Salinas Installations
12303 Gulf Freeway, Apt. 1604
Houston, Texas 1604

Purchase Power
PO Box 856042
Louisville, KY 40285

/s/ Michael J. Durrschmidt

Michael J. Durrschmidt